



State of Utah

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Energy Efficiency for State Buildings Saves \$4.6 Million

When it comes to making more from less, one state program is paying-off for state agencies and Utah taxpayers. A recently completed State Buildings Energy Efficiency Program (SBEEP) report stated that energy savings totaled at least \$4.6 million for the State of Utah during the past year. Mike Glenn, SBEEP manager reports, "The Governor's Office set a goal in 1999 to reduce utility expenses by \$20 million by the year 2010. With this year's savings figures, we have achieved cumulative savings of \$12.9 million toward that goal."

Glenn notes, "Although utility rates have been increasing, we are still \$4.6 million better off this year compared to making no energy efficiency improvements." Savings are achieved through a combination of approaches. New state buildings are designed for higher levels of energy efficiency and existing buildings are re-commissioned to higher standard. Also energy-using equipment inside buildings is up-graded, building occupants are shown simple tips for energy conservation, and renewable energy sources, such as solar, wind and geothermal, are used where possible.

According to Kent Beers, of the Utah Division of Facilities Construction and Management, "New buildings must be at least 25 percent more efficient than the current energy code. We are also using performance contracting for our existing buildings."

Similar to equipment or capital leases, the State of Utah uses performance contracts with private energy service companies to perform retrofit work, arrange financing with a third-party partner, and provide an annual savings guarantee. During a performance contract, project economics are structured to create a cash flow from energy savings sufficient to pay off project costs over the life of the financing agreement.

The performance contracting approach allows projects to proceed with very limited capital outlays from the Utah Legislature while avoiding construction delays and lost opportunity costs. In 2004, performance contract projects began for Utah Department of Corrections at the Bluffdale prison, the Ogden Regional Center, and Utah Valley Community College.

According to Beers, "Performance contracts for these new projects total \$21.6 million and include efficient lighting systems, upgrades to building controls, new pumps and motors, new rooftop heating and cooling units, and electrical upgrades. For the Utah State prison, we are using 185°F degree geothermal water from natural springs to heat buildings, and we are studying the use of wind for producing electricity."

For more information on energy savings for state buildings, see <http://www.sbeep.utah.gov/>

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